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DEPARTMENT OF NATURAL RESOURCES

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Outgoing
C0150025
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October 22, 2008

Elliot Finley, Resident Agent
Hiawatha Coal Co., Inc.
P.O. Box 1240
Huntington, Utah 84528

Subject: Incomplete Application for Transfer of Bear Canyon Mine Permit to Hiawatha Coal Company, Task ID #3070, Co-Op Mining Company, Bear Canyon Mine, C/015/0025

Dear Mr. Finley:

The Division staff has completed the initial review of your application to transfer the Bear Canyon Permit to Hiawatha Coal Company, Inc., and at this point it is considered to be incomplete. The following items were identified in our previous correspondence (dated September 4, 2008) and still need to be addressed before we can proceed with the review of your application:

R645-303-321.300 and R645-301-111.400 and R645-301-112.330, The former Secretary/Treasurer (Gustafson) departure date is required, along with the notarized signature of the Secretary of Hiawatha Coal Company. Although the departure may have occurred prior to purchase of the Bear Canyon Mine, the Office of Surface Mining database requires updating with the current information.

R645-303-321.300 and R645-301-112.310, The employer identification numbers for the officers and directors and for the Applicant and the new Permittee were not provided. The Office of Surface Mining database requires information for all controllers of the mine. We have the employer identification number for DW Mining and HCCI, but not for C.O.P. Development. Please provide employer ID for C.O.P. Development and the last four digits of the social security number for all officers and directors listed in the application for all companies listed.

R645-303-321.300 and R645-3-1-112.420, An organizational tree showing the relationship of owners and controllers and percentage ownership must be provided. (i.e. C.O.P. Development, CW Mining, and Hiawatha Coal Company). We appreciate your explanation in your letter, but please provide a similar explanation of the organizational tree in the narrative of the amendment to the Bear Canyon MRP. This is requested



because there will continue to be a confusion over the relationship between CW Mining and HCCI due to the fact that HCCI is under the control of CW Mining in the Hiawatha Mine permit area, as stated in the Hiawatha MRP, Chap. 1, pg. 1-1.

R645-303-323 and R645-301-820.100, Bonding information was received on August 19, 2008 (2008/Incoming document 0032.pdf) and was approved (2008/Outgoing document 0031.pdf) new reclamation agreement contract will need to be executed and will be provided by the Division.

In addition to the above noted deficiencies, please provide a statement in the Bear Canyon MRP to allow Shawn Baker as an authorized representative.

We are aware that the bankruptcy court has ordered the permit holder to refrain from transferring its permit without the court's consent. Therefore, we will continue our review and issue a decision on the permit transfer application only after Co-Op Mining (1) provides the information listed above and (2) demonstrates that the court will allow the transaction to proceed.

If you have any questions, please call Priscilla Burton at (435) 613-3733 or me at (801)538-5325.

Sincerely,



Daron R. Haddock
Permit Supervisor

sqs

cc: Shawn Baker, Hiawatha Coal Co., Inc.
Paul James Toscano, Debtor's Counsel
Russell S. Walker, Woodbury & Kesler
Keith A. Kelly, Ray Quinney & Nebeker, P.C.
Steven W. Call, Ray Quinney & Nebeker, P.C.
Steve Strong, Ray Quinney & Nebeker, P.C.
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John T. Morgan, U.S. Trustees
Dave E. Leta, Snell & Wilmer
F. Mark Hansen, F. Mark Hansen, P.C.

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